

[General Secretary]

2. Sir, I also lay on the Table copies, duly authenticated by the Secretary-General of Rajya Sabha, of the following three Bills passed by the House of Parliament and assented to since a report was last made to the House on the 3rd May, 1974:

1. The Constitution (Thirty-Second Amendment) Bill, 1974.
2. The Constitution (Thirty-third Amendment) Bill, 1974.
3. The Estate Duty (Distribution) Amendment Bill, 1974.

12.15 hrs.

# CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

## REPORTED NON-SUPPLY OF STAPLE FIBRE YARN AND RAYON FILAMENT YARN TO SMALL-SCALE WEAVING INDUSTRY

MR. SPEAKER: Mr. Lakkappa, the first speaker on Calling Attention is given five to seven minutes. All others will be given four to five minutes. Please do not lose your time in long introductions. Please be brief.

SHRI K LAKKAPPA (Tumkur): Sir, I call the attention of the Minister of Commerce to the following matter of urgent public importance and I request that he may make a statement thereon:

'The reported non-supply of staple fibre yarn and rayon filament yarn to small scale weaving industry by the spinners'

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA): Mr. Speaker, Sir, Government have been receiving representations over the past few months about the inadequate availability of viscose staple fibre yarn and rayon filament yarn, causing considerable hardship to the weavers. The position in respect of these two types of fibres is as follows:—

The total production of viscose staple fibre spun-yarn is 60 million kgs. which is far short of our total demand. The problem was accentuated because of prolonged strike in the Gwalior Rayon pulp production unit when their production in 1973 fell from estimated 78,000 to 58,000 tonnes, while the only other unit supplying staple fibre to the shipping mills, namely, South India Viscose Limited, had only a limited production capacity of about 4,000 tonnes. With a view to ensure adequate supply of fibre to the spinning units and to avoid the possibility of individual mills or group of mills to gain substantial control over total supplies, Government decided to impose statutory control over the distribution of viscose staple fibre to the spinning units from 6th December, 1972. The distribution pattern has, however, been challenged in a series of writ petitions filed in various High Courts. A rational distribution system cannot be implemented during the pendency of these writ petitions.

In respect of staple fibre spun-yarn the position is being reviewed in the light of the complaints received from a number of States like Punjab, Haryana, Uttar Pradesh, Gujarat, Bihar and West Bengal, and we are working out a system of pricing and distribution which is consistent with the economics of production and as well as the needs of the weavers.

In respect of rayon filament yarn, the total production in 1973 was around 37,000 tonnes which again was considerably short of the total demand. The production fell last year due to the closure of two factories. In the past, the distribution of rayon filament yarn was governed by voluntary agreement between the spinners and weavers' Associations, which worked satisfactorily, from August 1969 till the middle of last year. Since the middle of last year, complaints were received by us that the mills were not supplying the yarn to the weavers in accordance with the voluntary agree-

ment. We were also informed that backlogs of rayon filament yarn supply had accumulated. As a result of initiatives taken by us, a dialogue was initiated between the spinners and the weavers for the clearance of the backlog, and it is expected that this backlog would be cleared by 30th of August, this year. In respect of current production unfortunately, in spite of several rounds of discussions between the spinners and weavers, no voluntary agreement has been reached so far, and their talks have finally broken down on the 11th of July this year. My Ministry is now currently considering alternative proposals for making available the rayon filament yarn to the weavers at reasonable prices, and towards this and fresh cost analysis has been made by us to update the prices indicated in the Report of the Tariff Commission. We are also considering the most efficient system of distribution, so that uninterrupted supply of filament yarn could be made available to the weavers at prices determined by us. I am persuaded that the matter calls for urgent attention; and it is in this spirit of urgency that my Ministry is currently considering the future course of action.

SHRI K. LAKKAPPA. Mr. Speaker, Sir, once again I would like to bring it to your notice and also the House that this is a battle between the capitalist society of 8 gigantic monopoly houses and the weaker sections of the country which consisted of 8 lakhs of weavers. These people have been battling against these monopoly houses who are controlling the lifeline of the weaker sections of the society. Government should take immediate action to see that the livelihood of these 8 lakhs weavers is protected from these eight giant monopoly houses who happen to control the lifeline of these eight lakhs weavers who are spread all over the country. Of the eight lakhs handloom and powerloom weavers of various States including Punjab, Madras and Karnataka, 1,70,000 hand-

loom weavers and 50,000 power loom-weavers are in Karnataka. The spinners are holding the nation to ransom by preventing the weaker section of the society, the so-called weavers, from earning their livelihood. We were apprehending the fear all along for a considerable length of time that these handloom weavers and powerloom weavers' livelihood would be affected by the so-called control of these monopoly houses. Actually there was a battle going on between the spinners and the so-called poor weavers. In 1963, the Central Government promised to come to the help of the poor weavers if, as a result of the Control and distribution of yarn Order, the spinners did not behave. Since 1963, the so-called spinners and the monopoly houses have behaved towards the weaker sections of the people and have controlled the entire economy of the country in such a way as to cause anxiety to the weaker sections in this country. This has been brought to the notice of the Government times out of number. The profits accumulated by the rayon spinners over a period of three years show that eight rayon spinners realised in a period of three years Rs 60 crores more than what they could realise according to the Tariff Commission's report. Is this not an example of Government's own aid to inflation by their inaction? Is it not an aid to inflation if Rs 60 crores more could be accumulated as profits by eight spinners and still no action is taken against them for such accumulation of profits at the cost of the weaker sections of the people in this country?

I would like to point out that the profiteering by the spinners has exceeded all limits and all canons of law in this country and has violated every rule and regulation and the recommendations of the Tariff Commission.

So far as the Textile Commissioner's office is concerned, I would like to say a word. I know that my hon. friend Shri Chattopadhyaya and

[Shri K. Lakkappa]

his colleague Shri George are functioning very well in the Ministry but they should know how they should control the situation and they should find out how the Textile Commissioner's office is functioning. I do not know under whose pay-roll the Textile Commissioner's office is working, because the way it is functioning is a big hoax and they have deliberately delayed the implementation of many of the agreements entered into by the hon Minister. I know that the hon Minister is very eager to take steps to ease the situation as early as possible, but unfortunately the Textile Commissioner's office at Bombay is not yielding

When profiteering by the spinners exceeded all limits, the Central Government decided in 1968 to impose control after obtaining the recommendations of the Tariff Commission. Pending that, Government themselves had arranged an agreement according to which the spinners had been getting from the actual users a price well above the rate that was ultimately recommended by the Tariff Commission. I would like to point out that the latest agreement which expired on the 31st December, 1973 had provided 20 per cent of the total production to exporters, 52.5 per cent for actual users (weavers) and the rest for free sale in the open market by the spinners. This was the agreement between the spinners and the weavers.

As regards the rates realised by the spinners from the free sale, I do not find any logic. They have been selling it in the blackmarket and making a very fabulous amount of money without any reason or rhyme and they have not been controlled by any legislation.

The agreements entered into have been only interim arrangements greatly benefiting the spinners, while the Central Government have been telling Parliament repeatedly that the Tariff Commission's report had not

been made up to date and that was being updated.

I would like to give another illustrious example of how the spinners have been behaving towards the weavers. Though the weavers had started negotiating in October, 1973 for an extension of the agreement on very reasonable and just terms, till today, the spinners have been blatantly avoiding the settlement of the terms. They have not even agreed to the settlement of the issues put forward by the weavers. On no occasion have the weavers' views been respected or their opinion has prevailed, so far as the Textile Commissioner's office is concerned. Every time it is only the spinners' views which have been prevailing, and the negotiations as well as representations by the weavers have failed and every time the poor weavers represented to the Ministry they have not been given any hearing.

In regard to the economics that has been referred to in the statement made by the hon Minister, I would like to point out one thing. Under the voluntary agreements between the spinners and the weavers, a part of the production was always available for free sale. Under the last agreement, it was 30 per cent. Of the remaining 70 per cent, 20 per cent was being given to exporters of fabrics at an agreed price and 50 per cent was being given to other actual users at a higher price. This is the economics of the partial agreement in regard to rayon yarn.

As regards rayon yarn, I would like to point out that the profits that the rayon spinners have made are very huge even according to their own statement. As against 15 per cent on capital employed, as recommended by the Tariff Commission, the spinners have been making as much as 38 per cent as shown by the figures based on their own balance-sheets which show profits as percentage of capital employed. In the light of this, how is it logical for the hon. Minister to say that because of this production has

been deteriorating? Who is fixing up the actual production? These factories are running not under the control but with the connivance of the Textile Commissioner. They will never disclose what is the actual production. As far as the spinner are concerned, no agency has been created to assess the correct position as to how much they are producing and how much they are selling in the black market. Is there any independent agency set up by the Ministry to find this out? This is a most important thing bearing on the Tariff Commission's report.

MR SPEAKER It is not my hobby to ring the bell. It is for your attention. Please sit down.

SHRI K. LAKKAPPA: I would like to complete this part. These 8 spinners have been operating without any regulation of price. In regard to nylon, four spinners entered into an agreement with weavers only regarding the price. The distribution was in their own hands which gives them scope to exploit the small weavers. JK's delivered only about 1/3rd of the yarn. According to the agreement between the spinners and weavers, 30 per cent was left to them for free sale. At the same time, they have withheld what is due to the weavers and sold that also in the black market. For the last seven months, they are deliberately avoiding coming to an agreement so that the accumulated production could conveniently be sold in the black market. They have made a huge amount of profit.

Has any inquiry been made into this? Is the Textile Commission organisation behaving properly? They are wholly in league with the spinners. So I would like to ask whether the Minister would take steps to see that smooth distribution is arranged, a distribution controlled by Government and working according to a statutory system in order to see that there is full implementation of the Tariff Commission report. Also is there a time-bound programme according to which Government are going to streamline the machinery and see that these poor weavers who have been suffering for a long time are meted out justice? I also ask whether an inquiry will be made against the activities of the 8 big spinners who have swindled this country and held it to ransom. I demand such an inquiry.

PROF. D. P. CHATTOPADHYAYA: The hon. Member has made a lengthy comment. I would take only the main points from his speech and make my submission briefly on each of them. I admit that because of shortage, the spinners in some cases made considerable profit, but that is mainly because of the conditions of shortage. The hon. member enquired what steps have been taken. As I have already submitted, the Spinners' Association and the Weavers' Association agreed to come to a sort of voluntary agreement. The voluntary agreement worked for a long time. But when we found that it has not been working and they want to do something else, we are taking the matter at our level. So if there has been something wrong in the imple-



[Prof. D. P. Chattopadhyaya]

mentation of the voluntary agreement, it is because they could not agree. But we are looking into the matter, as I said, on a very urgent basis.

Reference has been made to the Textile Commissioner's role in a very critical manner. I do not think the Textile Commissioner or his office have done anything wrong in this matter. They have tried to work as a go-between between the Spinners' Association and the Weavers' Association and help both to come to a sort of satisfactory agreement. I am quite convinced that the spinners' associations have not played their role rightly. It should also be brought to your kind notice that weavers' associations do not consist only of poor weavers; there are very rich weavers. When we make some arrangement, we should be sure of the fact that the arrangement benefits the really poor weavers and not those who style themselves as weavers but not poor. Taking all these things into account, we will come to a decision very soon. The Tariff Commission's recommendation will be the foundation of our decision, but that has to be made up-to-date because with passage of time, some of the recommendations have become outdated and cannot provide a sound and economic footing for working out a suitable formula.

SHRI K. LAKKAPPA: I demanded that production should be taken over and distributed by a government agency.

PROF. D. P. CHATTOPADHYAYA:

This is engaging our active consideration. We cannot say anything right now because the decision has not been taken. About distribution, there are several views. Some are asking for distribution through weavers' associations. But some weavers' associations are not working satisfactorily. Some small weavers and some State Governments have been complaining that the weavers' associations are not representative. The views of the really weak weavers and the State Governments in the matter of distribution have to be taken into account.

श्री मतपाल कपूर पटयाला स्पीकर साहब, मिनिस्टर साहब का स्टेटमेंट जाहिर करता है कि इन्होंने इस मामले पर बहुत हमदर्दी से गौर करने की कोशिश की है। लेकिन बेमि-ईशू यह है कि प्रोडक्शन कम हो गया है, इस वजह से यह दिक्कत आ रही है। अगर प्रोडक्शन कम हो गई है तो जरूरत इस बात की थी कि कन्ट्रोल को ज्यादा मजबूत बनाया जाता। मिनिस्टर साहब सारी दुनिया का अपनी तरह समझते हैं जितन ये ईमानदार हैं, उतने ही इन के महकमे के लोग ईमानदार हैं। लेकिन मैं आप को बतलाना चाहता हूँ कि न स्पिनर्स ईमानदार हैं और न आप के अफसरान ईमानदारी से काम करना चाहते हैं। आज जितनी दिक्कतें बीवर्स को आ रही हैं, ये सब मैन-मेड हैं। अगर प्रोडक्शन कम हो गया है तो उन का कोटा मुर्कार किया जासकता है। हमारे मुल्क में 60 मिलियन किलो की प्रोडक्शन थी, जो अब कम हो गई तो है, आप प्रोडक्शन के हिसाब से उन का कोटा

कायम कर सकते हैं, लेकिन इस फार्मूले की तरफ ध्यान नहीं दिया जा रहा है, बल्कि आज तक जितने एग्जीमेंटस स्पिनर्स ने बीवस के साथ किये हैं किसी एक पर भी धमल नहीं किया गया, खुद एग्जीमेंट करते हैं तो खुद ही। उस को तोड़ते हैं।

टैरिफ कमीशन की रिपोर्ट हमारे सामने है—इस रिपोर्ट के बारे में मिनिस्टर माहब ने कहा है कि यह पुरानी है। इस का लेटेस्ट फार्मूला भी स्पिनर्स एसोशियेशन ने दिया है कि कितनी कीमत मुर्कारर लेनी चाहिए। टैरिफ कमीशन ने रु० 16.07 पैस तै किया है लेकिन स्पिनर आज भी ओपन मार्केट में 20 रु० प्रति पीड के हिसाब से माल बेच रहा है। इस लिये जितनी संजीदगी के साथ इस प्रोबलम को हल करने की कोशिश की जानी चाहिए थी, उसकी सजीदगी से डिपार्टमेंट ने इस मामले को डोल नहीं किया है। लाखों आदमी आज इस इन्डस्ट्री में इन्वाल्ड हैं उन की तरफ पूरा ध्यान क्यों नहीं दिया जा रहा है। टैरिफ कमिशन की रिपोर्ट पर जो लेटेस्ट मॉडरेन्ड स्पिनर्स एसोशियेशन ने दिया है, उस को बेसिस मानकर कीमत क्यों मुर्कारर नहीं करते। पिछली बार सरकार ने काटन-बार्न का काम अपने हाथ में लिया था और अब डिपार्टमेंट और स्पिनर्स यह आग्युमेंट एडवांस करत हैं कि सरकार डिस्ट्रीब्युशन अपने हाथ में सम्भाल लेगी तो वह काम फेल हो जायेगा। मैं यह चाहता हूँ कि प्रोडक्शन के साथ डिस्ट्रीब्युशन को सम्भालें। अगर अकेले डिस्ट्रीब्युशन सम्भालेंगे तो स्पिनर मिल वाले इतने हर्षित्ववादी हैं कि किस काउन्ट

की आप को जरूरत है उस काउन्ट को पैदा नहीं करेंगे। अगर पंजाब के बीवर को किसी खास काउन्ट की जरूरत है तो वे उस काउन्ट को पैदा नहीं करेंगे और जो काउन्ट मद्रास को चाहिये, उसे पंजाब को भेजेंगे और जो पंजाब को चाहिए उसे महाराष्ट्र को भेज देंगे। इन की हेराफेरी में कोई बच नहीं सकता है। हम लिये जरूरत इस बात की है कि आप स्पिनर की जितनी प्रोडक्शन है, उस टोटल प्रोडक्शन को अपने हाथ में लीजिये और सही तरीके से उस क डिस्ट्रीब्युशन कीजिये, डिस्ट्रीब्युशन और प्रोडक्शन दोनों में अपने आप को इन्वाल्ड कीजिये। मैं जानना चाहता हूँ कि इस में आप के समान क्या दिक्कतें हैं।

दूसरा सवाल—टैरिफ कमीशन की रिपोर्ट के इम्प्लीमेंटेशन में क्या दिक्कतें हैं?

तीसरा सवाल—बीवस की जितनी एसोशियेशन्स हिन्दुस्तान भर में हैं, मेरा मतलब है कि जितनी को-ऑपरेटिव हैं और स्टेट गवर्नमेंट और सेन्ट्रल गवर्नमेंट की ओर ऐजेंसीज हैं उन सब को डिस्ट्रीब्युशन के काम में इन्वाल्ड करें अगर आप ऐसा करेंगे तो मेरा ख्याल है आप के सामने कोई दिक्कत नहीं आयेगी। अगर डिस्ट्रीब्युशन आप के हाथ में ही और प्रोडक्शन इनके हाथ में रहे तो ये मोनोपोली हाउसेज—टाटा, बिड़ला, मोदी आप को कामयाब नहीं होने देंगे—इस लिये आप उन के मैनेजमेंट को सम्भाल लीजिये। मैं जानना चाहता हूँ कि इन कार्यों को आगे-जागे करने में क्या दिक्कतें हैं।

**PROF. D. P. CHATTOPADHYAYA:**  
Sir, I have stated that high prices is not entirely due to the shortage of production. Shortage of production is very much there, but it is partly also, perhaps I may say substantially, because of the spinners' refusal to play their due role.

**SHRI SATPAL KAPUR:** What is the duty of the Government?

**PROF. D. P. CHATTOPADHYAYA:**  
Since the spinners did not play their role, therefore, we have evolved an arrangement on the basis of the Tariff Commission's recommendation.

On the question of distribution, as I have already referred to, there are two views. The constructive suggestions made by the hon. Member will be taken into account while we take the final decision. But it should also be borne in mind that some of the looms for which the demands have been put forward, very strongly and loudly, are not genuine. When we make our arrangements for distribution to the weavers, we should see that the authorised looms rightfully get preferential treatment. If we treat both bogus and genuine weavers alike, it would be unfair to the genuine weavers. So, the question of distribution is not so very simple. I take note of the difficulties rightly pointed out by the hon. Member. When we take the final decision, we would see that the best possible arrangement within the constraints is evolved.

**श्री बरवारा सिंह (होशियारपुर) :**  
स्पीकर साहब, मैंने मुक्तिसिर ही अर्ज करना है। हिन्दुस्तान में हैण्ड-लूमज की तादाद बहुत ज्यादा है और व नजदीक के उन लोगों को कपड़ा देते हैं जो देहाती में बसने वाले लोग हैं। जहां तक पावर लूमज का सवाल है— मैं ऐसा मानता हूँ और शायद आप के नोटिस में भी यह बात होगी कि उन में से काफी बोझ है। मैं जानना चाहता हूँ कि आप ने इन बोझ लूमज की तहकीकात की है या नहीं? लेकिन इस बहाने से यह नहीं कहा जा सकता है कि कोआपरेटिव सोसाइटी

और जो सोसियलाइज्ड हैं उन को बक्त पर माल न मिले। प्रोडक्शन रुकी हुई जानबूझ दबा लेकर। यह 8 बड़े बड़े स्पिनर्स की चीज की, जब चाहे कम प्रोडक्शन करें और ज्यादा पैसा लें। यह उचित नहीं है। उन की मर्जी पर करोड़ों लोगों को नहीं छोड़ा जा सकता।

टैरिफ कमिशन की रिपोर्ट में 14.22 पैसा है और वह लेते हैं बाजार में 22 रु० के हिसाब से जो ब्लैक करते हैं इस को रोकने के लिये आप ने कौन से तरीके इस्तेमाल किए हैं। 8 आदमियों के हाथ में लोगों की किस्मत नहीं दी जा सकती। अगर आप को समाजवाद लाना है तो फिर हमला उन लोगों पर करना होगा जो करोड़ों रुपया अपनी जेब में डालते हैं। इन पर अटक होना चाहिए। अगर वितरण में मुश्किल है तो उन को दूर करने के लिए आपने कोई तरीके अख्तियार किए हैं या नहीं? तीन स्पिनर्स की मार्केट में बेचें और चार से एग्सीमेंट हुआ और कई ने उस एग्सीमेंट को छोड़ दिया कि हम नहीं मानते क्योंकि जितनी प्राइस वह ले सकते हैं वह एग्सीमेंट के अनुसार नहीं ले सकते। इसलिये जो गो बिटवीन आप ने रखा है यह ठीक नहीं है, आप खुद दखल दीजिए क्योंकि कि गो बिटवीन का कोई भरोसा नहीं है। अगर असोसियेशन के लोगों को आप के घर पर कहें कि जइये इन का साथ आप फैसला कीजिए जो आप शेर के मुंह में बकरी को दे रहे हैं, वह तो उन का खा लेगा। तो गो बिटवीन नहीं होना चाहिए। इसलिए आप सक्ती से काम लें। अगर प्राइस बढ़ी है तो टैरिफ कमिशन को स्पिनर्स और बीबर्स को बैठा कर उन के सामने फैसला कीजिए और कोआपरेटिव सेक्टर को तरजीह दीजिए ताकि ज्यादा पैदावार हो सके।

साथ ही यह कहना कि कमी है, तो कमी आया आप की पैदा की हुई है या एक्चुअल है इस की जांच करें और खुद आपने लेबिल पर

असेसमेंट करें। इसलिए आप तीन बा कीजिए

(1) टैरिफ कमिशन की रिपोर्ट को आप ने माना है और इस के साथ साथ जो प्राइसेज उन्होंने कही है वह रोजनेबिल है और टैरिफ कमिशन ने दोनों पार्टीज को मुन कर फैसला किया है तो उस को लागू करने में क्या हर्ज है ?

(2) बीवस का जो बैंक लागू है वह उन को देगे कि नहीं, क्योंकि कि वह अभी तक उन को नहीं मिला और वह फैसला पड़ा है दिसम्बर, का उन के बाद उन को कुछ नहीं दिया गया। आया वह उन को देगे कि नहीं ?

(3) अगर गेमें ही आप देते है, जैसा मेरे साथी ने कहा, पंजाब में कुछ और माल भेज दो ताकि कोई काम न हो सके तो इस से प्रोडक्शन में घाटा पडना है। आया आप इस की जांच कर के उस को दुरुस्त करने की कोशिश करेंगे।

PROF D P CHATTOPADHYAYA  
Sir, certain things have already been done. If I am asked what I am doing to do, I would say that I will try to set things right. But, as said, there are certain difficulties. The Textile Commissioner's role has been critically referred to. As you will kindly appreciate, these handloom looms have to be registered with the Textile Commissioner. So, in the matter of allotment, he cannot be kept outside. He is very much in the picture. You will be perhaps, surprised to know that out of the total number of looms in the country, that is, out of 1,50,000 looms, about 50,000 looms are bogus. One lakh and five or six thousand are genuine. The demand when it is placed before me for filament is a demand for one lakh and fifty five thousand whereas only one lakh are registered. It is a very difficult situation. If I have to meet the

entire demand, then the production that is available is not only inadequate but is hopelessly inadequate. Besides, you will find that some of the raw materials necessary for the production of synthetic yarn are not available in the country; for example, for the production of nylon yarn, we have to import caprolactum and caprolactum is as precious as gold; gold can be bought but caprolactum cannot be. Similarly, viscos filament and rayon filament are not available. There are certain constraints which are not man-made. These are the difficulties and I say these difficulties not to minimise our responsibility or the responsibility of the Textile Commissioner. I can repeat what I have already said that we are trying to evolve arrangements where the weavers need not depend entirely on the whims and caprices of the spinners. Spinners are not a very holy tribe; there are some good spinners, but some of them are not. Because of the mixed group and because of some questionable practices they have indulged in persistently, we have decided to take certain steps. These steps have now been finalised. Some other Ministry has to be consulted. It is being consulted and, as I said, a decision will be taken soon and the decision will benefit really the poor weavers and not the weavers who are very rich and some of whom have bogus looms under their control.

SHRI RAGHUNANDAN LAL BHATIA (Amritsar): I am very much surprised over the statement which the Minister has made today. The art silk industry essentially consists of small scale unit. He has said that some of the units are big units I do not agree with him at all, 50 per cent of the units consist of units which have only five to six looms and 25 per cent of them consist of units which have between 10 and 15 looms. Therefore, 75 per cent are small scale units. This is essentially a problem of small scale units and that is how we have brought it to his notice. As against this, there are eight spinners

[Shri Raghunandan Lal Bhatia]  
under monopoly houses who are controlling all the raw materials. They are not giving the raw materials to the small scale units; they do not intend to give, they do not want to give, and Government is feeling unable to supply the yarn to small scale units in spite of the fact that Government is supplying them the raw material. It is the Government which is giving them more licences for the machinery, and I fail to understand why the Minister finds himself helpless in helping the small scale people, in getting yarn from big units.

The small scale units are located in Punjab; there are 12,000 in my town, Amritsar, and there are about 3,000 units in Ludhiana. Similarly small scale units are in U.P., Karnataka, Maharashtra, Gujarat and Tamil Nadu. All over India the people have formed Committees and they have been representing to the Minister their problems. I agree that the Minister has been very kind; he has been listening to their demands and trying to intervene. But what is the result? All these units are closing and the Minister finds himself helpless to help the small people. This is an artificial scarcity created by the spinners. The same situation was created in the year 1968 and then Government referred the matter to the Tariff Commission. The Tariff Commission took two years and after that it took the Government three years to place the report on the Table. I fail to understand what the Government had been doing all these three years. The Tariff Commission's report was placed on the Table of the House last year. It is now more than a year. Yet there is no result and what is being done. I fail to understand. The mill spinners are charging fantastic prices because the small industry is unable to turn anywhere else and they have to depend on the spinners. Hence, their inability to get the raw material at a reasonable price. Meanwhile, an interim arrangement was made by the Government between the

spinners and the weavers to get the raw material and that was done by the Textile Commissioner who arranged a meeting. But, what we find is that whenever an agreement was made, after a few months the spinners backed out. In the Tariff Commission's report the rate suggested was Rs. 9.10. It was fixed at Rs. 10 later on by the Textile Commissioner. Later, it went up. Again, there was a hue and cry and at the intervention of the Minister, an agreement was arrived at and the price fixed was Rs 11.72. But the weavers are not getting the raw material at that rate. They make an agreement and they back out.

In the year 1973 again an agreement was made with the help of the Textile Commissioner and the rate fixed was Rs. 14.22. While the Tariff Commission suggested Rs 9.10, the Textile Commissioner suggested Rs. 14.22, but even then at this rate the weavers are not getting the raw material as the spinners again backed out.

In these circumstances, what can the poor weavers do? On the 31st December there was no agreement and in the last 7 months repeated requests were made to the Minister and deputations met him seeking his intervention but so far, nothing has been done and the weavers are suffering all the time.

Sir, this is the fate of the art silk yarn. Similarly, with regard to staple fibre, a similar situation arose and the matter was referred to the Tariff Commission in 1968 and their report came in 1972. The Tariff Commission took 4 years to give a report on the staple fibre industry. Same was the situation in 1973 and no action was taken and the small scale units in Punjab, Gujarat, Karnataka, Tamil Nadu and Uttar Pradesh are suffering for want of the raw material.

I ask the hon. Minister as to what is the difficulty and ask him when he is giving the material to the spinners, why should he not fix up the margin

for the manufacture of the yarn and take up the whole production from them. We do not mind if it is due to the general raw material shortage prevailing all over the world but whatever is produced should be placed at the disposal of the small scale people.

I, therefore, ask the Minister that he should take over the total production from the spinners after fixing a margin for them. In that case, it will be helpful to us also because they will produce more as their margins are fixed. But, in the present set up they are producing less so that they may have more profits with less production. I ask him as to what is the difficulty that stands in the way. Why should he not fix a margin for the manufacturers and take up all their production and supply it to the small scale units?

PROF. D. P. CHATTOPADHYAYA: Most of the points referred to by the hon. Member have been answered by me in reply to the questions raised by the other hon. Members. I think I have already said that most of his points are acceptable to me. But, as you know, I had submitted that there is a raw material shortage but even within this shortage, what is being produced, we will see, is distributed rationally and equitably and the poor weavers are benefited by the arrangement that we are going to evolve.

He said, 'Why not you intervene?' We have intervened and it is at our intervention that the spinners and weavers came together and told us that they would come to a settlement. Now they say they cannot come to a settlement. I am intervening in a different manner. It is not that we did not do anything or that we did not intervene. We did. But they could not come to a settlement. Spinners asked for higher prices, very high price. Weavers insisted on lower price. Both the demands, as our study revealed, was inconsistent with the cost of actual production. We are coming to conclusion which is mainly based on Tariff Commission's

findings made up to date. All the points and suggestions made by the hon. Member will be taken care of when final decisions taken.

SHRI DHAMANKAR (Bihwandi): Sir, the Art Silk industry is facing a great crisis and I think Government is partially responsible. Government's delaying tactics in laying the Tariff Commission's report on the Table of the House and implementing it has caused all this trouble. Textile Commissioner is taking advantage of the Tariff Commission report and adopting delaying tactics. The hon. Minister said that there is nothing wrong at the Textile Commissioner's end. May I humbly point out to him that everything is wrong at the Textile Commissioner's end?

All the socialistic policies of the Government are being implemented at the Textile Commissioner's end in the most unsocialistic and reactionary way. Every weightage is given to the spinners and the big mill magnates. What happened to the cotton yarn control policy? It has failed. It failed because the Textile Commissioner's office adopted such an attitude of allotting wrong counts to places where they were not used at all. That created the black-market. This voluntary agreement is not a real voluntary agreement. It is voluntary for spinners only. Spinners will honour it when it suits them. When market is down they will dump all their stocks and give to the associations and co-operative societies etc; and they will say, look, if you don't lift the stocks we will not be in a position to give you the allotment, the quota will lapse. When prices go high up, they will hold up the stocks and they will not deliver the goods. This is what happens. This is what is going on since the voluntary agreement came into existence. It never worked satisfactorily. It works satisfactorily only in the interest of the spinners. I do not know why the Textile Commissioner is adopting a soft and benevolent attitude towards the big magnates and spinners. The weavers



[Shri Dhamankar]

are suffering. I entirely agree with the Minister that all are not small units. There are medium and big units. There are three categories, small, medium, and big units which can be called composite who have their own processing plants and accommodation for exports. It so happens that big units are dominating over small units and those who suffer are the small weavers. I come from a constituency where there are not less than 20,000 looms working on art silk and synthetic yarn. When the question of small weavers' interest comes the Textile Commissioner is having sympathy with the big associations and big units. If you adopt 100 per cent statutory price control and distribution control, then, you have to safeguard the interest of the small weavers and actual weavers. We have to eliminate absentee landlords. We have eliminated them in respect of lands by legislation. But in the weaving industry this absentee landlordism continues. There are units who own the looms, hire them out, but retain the quota and reap the harvest of profits by selling the quota. If you enforce the 100 per cent control what will happen to the actual users? They will not be in a position to get yarn from the open market, as it is controlled hundred per cent. If 100 per cent price control is imposed on rayon yarn then the price control should also be enforced on rayon fabrics. Art silk fabric is not a luxury now. Some years back it was a luxury. But now the common man purchases cotton cloth at Rs. 5 or more per metre.

13.00 hrs.

So, at the same rate, he buys the art silk cloth. So, in that case, the price control should also come into play on art silk cloth, otherwise the common man will suffer. I would like to know what he intends to do regarding the voluntary control agreement between the weavers and spinners. If he is continuing the agreement, in that case, it should be made

incumbent upon the Textile Commissioner to see that the agreement is enforced at both ends—spinners as well as weavers ends. It happens now that the Textile Commissioner tosses weavers from pole to pole and asks them to meet the spinners and come to some agreement. Then what is the Textile Commissioner doing? Is it not his job to see that the agreement comes into force? As Shri Bhatia, my colleague, rightly pointed out if you are supplying raw materials to these spinners, it is for you to see that they give the production to the weavers and see that the same is not sold in black-market thereby creating a parallel black money economy on a very huge scale. At present if he sells the yarn at Rs. 10 a kg. on bill one has to pay an advance of Rs. 15, cash unaccountable. Then only the goods are delivered. These practices should be curbed and banned. I would now like to ask the hon. Minister whether he would think of establishing a cooperative unit in the spinners' section. No more units should be allowed to come up in the private sector. If new units are allowed to come they should be either in the public sector or in the cooperative sector.

Recently, in Gujarat, a polyester fibre unit has come up in the cooperative sector. Maharashtra and Gujarat have combined together and the unit is going to be set up very soon. In the same way, I think, the Minister should also consider this point as to whether the weavers' consumer co-operative societies can be given a licence to put up a spinning plant so that the Government, from the experience of the cooperatives can conveniently enforce the price control on private spinners.

These are some of the points on which I would like the hon. Minister to reply.

PROF. D. P. CHATTOPADHYAYA: Sir, I would like to say first of all that it is not correct to make a critical reference to the Textile Commissioner

185 Reported non-supply SRAVANA 1, 1896 (SAKA) Agreement between 186  
of staple fibre yarn etc. India & Sri Lanka  
to small scale weaving on boundary in  
industry (C.A.) historic waters

because there are certain difficulties which any officer or any Minister cannot change overnight. The change is being brought about as I have already stated.

I have already expressed that there was an unintended delay in submitting the Tariff Commission's Report and in placing the same before the House. I must say here that the Tariff Commission was asked to make it upto-date. Because three years have elapsed already in submission of the report, the data on the basis of which the recommendations of the Commission are made may be out of date. We have asked the Tariff Commission to do that quickly. They said that they cannot do it quickly. Since this is a scientific thing, they said that this has to be done accurately and precisely. Anyway we have done our best. Several other factors have also to be borne in mind. For example, a part of the yarn has to be given to the exporter at a low price, lower than the cost of production even. I should say here that the synthetic yarn's price in this country is lower than the price prevailing in the international market. So, our goods should be competitive enough so that we may earn the foreign exchange. Therefore, we have to sell a part of our production at a very low rate, lower than the cost of production even. The Tariff Commission price has been fixed on an identical basis on the entire production. Because a part of it has to be given at the lower price, lower than the cost of production, we have to see that a part of our total production is set apart and sold at the market price so that it can compensate the losses incurred on that score. I can only say this much. (Interruptions)

SHRI K. LAKKAPPA: But they are selling it in black market.

PROF. D. P. CHATTOPADHYAYA: You will kindly bear with me for a minute that though I entirely agree with what you have said, still certain factors have got to be borne in mind.

As regards the part of the yarn to be sold to the exporter, we shall see that that part is taken care of by us. If the voluntary agreement has not worked as I have admitted, the alternative arrangements that we are making will be more satisfactory. But as you will kindly appreciate, there are some legal questions because some writ petitions are already before the High Court. So, the way the distribution control and other sort of control is enforced and in what way it is to be enforced has to be carefully formulated, so that it does not invite any objection from the law court. Therefore, we are looking into the matter.

As regards distribution, as you have yourself seen, hon. Members themselves are not unanimous whether it should be distributed through the association or through the State Governments. So, both views have to be taken into account before we take a final decision, but the decision will be taken very early.

SHRI DHAMANKAR: What about the cooperative sector?

PROF. D. P. CHATTOPADHYAYA: The cooperative sector will be given due preference.

SHRI DHAMANKAR: Is the Textile Commissioner's office going to be a silent spectator?

PROF. D. P. CHATTOPADHYAYA: No, it is not a silent spectator, and it will not be a silent spectator.

13.006 hrs.

STATEMENT RE. AGREEMENT BETWEEN INDIA AND SRI LANKA ON BOUNDARY IN HISTORIC WATERS BETWEEN THE TWO COUNTRIES AND RELATED MATTERS.

MR. SPEAKER: Now, Shri Swaran Singh will make a statement...

SHRI MADHU LIMAYE (Banka): On a point of order. I had already given you notice.